

105TH CONGRESS
2D SESSION

H. R. 3399

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1998

Mr. SHAW (for himself and Mr. PAXON) introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Campaign Finance Im-
5 provement Act of 1998”.

1 **SEC. 2. MANDATORY ELECTRONIC PRESERVATION AND FIL-**
2 **ING OF FEDERAL ELECTION COMMISSION RE-**
3 **PORTS; ACCESS THROUGH INTERNET SITE.**

4 (a) ELECTRONIC FILING THROUGH THE INTER-
5 NET.—Section 304(a)(11) of the Federal Election Cam-
6 paign Act of 1971 (2 U.S.C. 434(a)(11)) is amended to
7 read as follows:

8 “(11)(A) Through a competitive bidding process, the
9 Commission shall establish a public Internet site not later
10 than January 1, 1999, with the following features:

11 “(i) Any person filing a report required by this
12 Act may post the report directly on the site.

13 “(ii) Any member of the public may obtain the
14 reports posted on the site (together with any other
15 information the Commission may make available
16 through the site) at any time.

17 “(iii) Any information in a report posted on the
18 site shall be subject to the same prohibition on sale
19 and use as information from a report or statement
20 under paragraph (4).

21 “(iv) All information posted on the site shall be
22 integrated in a manner which permits users to
23 search the information across categories and
24 sources.

25 “(B) Each person required to file a report under this
26 Act shall file the report by posting it directly on the Inter-

1 net site established under subparagraph (A), or by filing
2 it by such electronic method as the Commission may des-
3 ignate to enable the Commission to post the report on such
4 site immediately upon receipt.

5 “(C) The Commission shall provide for one or more
6 methods (other than requiring a signature on the report
7 being filed) for verification of reports filed in accordance
8 with the methods described in subparagraph (B). Any ver-
9 ification under the preceding sentence shall be treated for
10 all purposes (including penalties for perjury) in the same
11 manner as a verification by signature.

12 “(D) As used in this paragraph, the term “report”
13 means, with respect to the Commission, a report, designa-
14 tion, or statement required by this Act to be filed with
15 the Commission.”.

16 (b) REQUIRING COMMISSION TO MAKE SOFTWARE
17 AVAILABLE.—Section 311(a) of such Act (2 U.S.C.
18 438(a)) is amended—

19 (1) by striking “and” at the end of paragraph

20 (9);

21 (2) by striking the period at the end of para-
22 graph (10) and inserting “; and”; and

23 (3) by adding at the end the following new
24 paragraph:

1 “(2) The report required under this subsection shall
2 be in addition to all other reports required under this
3 Act.”.

4 (b) EXPANDING TYPES OF CONTRIBUTIONS TO PRIN-
5 CIPAL CAMPAIGN COMMITTEES SUBJECT TO EXPEDITED
6 REPORTING.—Section 304(a)(6)(A) of such Act (2 U.S.C.
7 434(a)(6)(A)) is amended—

8 (1) by striking “\$1,000” and inserting “\$200”;
9 and

10 (2) by striking “20th day” and inserting “90th
11 day”.

12 **SEC. 4. REQUIRING MAJORITY OF AMOUNT OF CONTRIBU-**
13 **TIONS ACCEPTED BY HOUSE CANDIDATES TO**
14 **COME FROM IN-STATE RESIDENTS.**

15 Section 315 of the Federal Election Campaign Act
16 of 1971 (2 U.S.C. 441a) is amended by adding at the end
17 the following new subsection:

18 “(i)(1) A candidate for the office of Representative
19 in, or Delegate or Resident Commissioner to, the Congress
20 may not accept contributions with respect to an election
21 from persons other than individuals residing in the State
22 involved totaling in excess of the aggregate amount of con-
23 tributions accepted with respect to the election from indi-
24 viduals residing in the State involved.

1 “(2) Paragraph (1) shall not apply with respect to
2 contributions from a political committee of a national,
3 State, or local political party (including any subordinate
4 committee thereof).”.

5 **SEC. 5. WAIVER OF “BEST EFFORTS” EXCEPTION FOR IN-**
6 **FORMATION ON IDENTIFICATION OF CON-**
7 **TRIBUTORS.**

8 Section 302(i) of the Federal Election Campaign Act
9 of 1971 (2 U.S.C. 432(i)) is amended—

10 (1) by striking “(i) When the treasurer” and
11 inserting “(i)(1) Except as provided in paragraph
12 (2), when the treasurer”; and

13 (2) by adding at the end the following new
14 paragraph:

15 “(2) Paragraph (1) shall not apply with respect to
16 information regarding the identification of any person who
17 makes a contribution or contributions aggregating more
18 than \$200 during a calendar year (as required to be pro-
19 vided under subsection (c)(3)).”.

20 **SEC. 6. LOWERING THRESHOLD FOR CASH CONTRIBU-**
21 **TIONS.**

22 Section 321 of the Federal Election Campaign Act
23 of 1971 (2 U.S.C. 441g) is amended by striking “exceed
24 \$100” and inserting “exceed \$20”.

1 **SEC. 7. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING**
2 **AGE.**

3 Section 315(a) of the Federal Election Campaign Act
4 of 1971 (2 U.S.C. 441a) is amended by adding at the end
5 the following new paragraph:

6 “(9)(A) For purposes of the limitations imposed by
7 this section, any contribution made by a dependent minor
8 shall be treated as follows:

9 “(i) If the dependent minor is the dependent of
10 one other individual, the contribution shall be treat-
11 ed as a contribution made by such other individual.

12 “(ii) If the dependent minor is the dependent of
13 another individual and such other individual’s
14 spouse, the contribution shall be allocated among
15 such individuals in such manner as such other indi-
16 viduals may determine.

17 “(B) In this paragraph, the term ‘dependent minor’
18 means an individual who—

19 “(i) is a dependent of another individual; and

20 “(ii) has not, as of the time of making the con-
21 tribution involved, attained the legal age for voting
22 in elections for Federal office in the State in which
23 such individual resides.”.

1 **SEC. 8. PROHIBITING NON-CITIZEN INDIVIDUALS FROM**
2 **MAKING CONTRIBUTIONS IN CONNECTION**
3 **WITH FEDERAL ELECTIONS.**

4 Section 319(b)(2) of the Federal Election Campaign
5 Act of 1971 (2 U.S.C. 441e(b)(2)) is amended by striking
6 “and who is not lawfully admitted” and all that follows
7 and inserting a period.

8 **SEC. 9. MANDATORY SUBMISSION OF MONTHLY REPORTS**
9 **BY NATIONAL POLITICAL PARTY COMMIT-**
10 **TEES.**

11 Section 304(a)(4)(B) of the Federal Election Cam-
12 paign Act of 1971 (2 U.S.C. 434(a)(4)(B)) is amended—

13 (1) by striking “monthly reports” and inserting
14 “in the case of a national committee of a political
15 party and any other political committee (other than
16 an authorized committee of a candidate) not filing
17 quarterly reports under subparagraph (A), monthly
18 reports”; and

19 (2) by striking the period at the end and insert-
20 ing the following: “except that in the case of a na-
21 tional committee of a political party, the committee
22 shall file the reports due in November and December
23 of such year together with such a pre-general elec-
24 tion report, post-general election report, and year
25 end report.”.

1 **SEC. 10. DISCLOSURE REQUIREMENTS FOR CERTAIN SOFT**
2 **MONEY EXPENDITURES OF POLITICAL PAR-**
3 **TIES.**

4 (a) TRANSFERS OF FUNDS BY NATIONAL POLITICAL
5 PARTIES.—Section 304(b)(4) of the Federal Election
6 Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

7 (1) by striking “and” at the end of subpara-
8 graph (H);

9 (2) by adding “and” at the end of subpara-
10 graph (I); and

11 (3) by adding at the end the following new sub-
12 paragraph:

13 “(J) in the case of a political committee of
14 a national political party, all funds transferred
15 to any political committee of a State or local
16 political party, without regard to whether or not
17 the funds are otherwise treated as contributions
18 or expenditures under this title;”.

19 (b) DISCLOSURE BY STATE POLITICAL PARTIES OF
20 INFORMATION REPORTED UNDER STATE LAW.—Section
21 304 of such Act (2 U.S.C. 434), as amended by section
22 3(a), is further amended by adding at the end the follow-
23 ing new subsection:

24 “(e) If a political committee of a State political party
25 is required under a State or local law, rule, or regulation
26 to submit a report on its disbursements to an entity of

1 the State or local government, the committee shall file a
2 copy of the report with the Commission at the time it sub-
3 mits the report to such an entity.”.

4 **SEC. 11. UNION DISCLOSURE.**

5 (a) IN GENERAL.—Section 201(b) of the Labor Man-
6 agement Reporting and Disclosure Act of 1959 (29 U.S.C.
7 431(b)) is amended—

8 (1) by striking “and” at the end of paragraph
9 (5); and

10 (2) by adding at the end the following:

11 “(7) an itemization of amounts spent by the
12 labor organization for—

13 “(A) contract negotiation and administra-
14 tion;

15 “(B) organizing activities;

16 “(C) strike activities;

17 “(D) political activities;

18 “(E) lobbying and promotional activities;

19 and

20 “(F) market recovery and job targeting
21 programs; and

22 “(8) all transactions involving a single source or
23 payee for each of the activities described in subpara-
24 graphs (A) through (F) of paragraph (7) in which
25 the aggregate cost exceeds \$10,000.”.

1 (b) COMPUTER NETWORK ACCESS.—Section 201(c)
2 of the Labor Management Reporting and Disclosure Act
3 of 1959 (29 U.S.C. 431(c)) is amended by inserting “in-
4 cluding availability of such reports via a public Internet
5 site or another publicly accessible computer network,”
6 after “its members,”.

7 (c) REPORTING BY SECRETARY.—Section 205(a) of
8 the Labor Management Reporting and Disclosure Act of
9 1959 (29 U.S.C. 435(a)) is amended by inserting after
10 “and the Secretary” the following: “shall make the reports
11 and documents filed pursuant to section 201(b) available
12 via a public Internet site or another publicly accessible
13 computer network. The Secretary”.

14 **SEC. 12. PROHIBITING INVOLUNTARY ASSESSMENT OF EM-**
15 **PLOYEE FUNDS FOR POLITICAL ACTIVITIES.**

16 (a) IN GENERAL.—Section 316 of the Federal Elec-
17 tion Campaign Act of 1971 (2 U.S.C. 441b) is amended
18 by adding at the end the following new subsection:

19 “(c)(1) Except with the separate, prior, written, vol-
20 untary authorization of each individual, it shall be unlaw-
21 ful—

22 “(A) for any national bank or corporation de-
23 scribed in this section to collect from or assess its
24 stockholders or employees any dues, initiation fee, or
25 other payment as a condition of employment if any

1 part of such dues, fee, or payment will be used for
2 political activity in which the national bank or cor-
3 poration is engaged; and

4 “(B) for any labor organization described in
5 this section to collect from or assess its members or
6 nonmembers any dues, initiation fee, or other pay-
7 ment if any part of such dues, fee, or payment will
8 be used for political activity in which the labor orga-
9 nization is engaged.

10 “(2) An authorization described in paragraph (1)
11 shall remain in effect until revoked and may be revoked
12 at any time. Each entity collecting from or assessing
13 amounts from an individual with an authorization in effect
14 under such paragraph shall provide the individual with a
15 statement that the individual may at any time revoke the
16 authorization.

17 “(3) For purposes of this subsection, the term ‘politi-
18 cal activity’ means any activity carried out for the purpose
19 of influencing (in whole or in part) any election for Fed-
20 eral office, influencing the consideration or outcome of any
21 Federal legislation or the issuance or outcome of any Fed-
22 eral regulations, or educating individuals about candidates
23 for election for Federal office or any Federal legislation,
24 law, or regulations.”

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to amounts collected or assessed
3 on or after the date of the enactment of this Act.

4 **SEC. 13. SOLICITATIONS BY TRADE ASSOCIATIONS OF**
5 **SHAREHOLDERS AND PERSONNEL OF MEM-**
6 **BER CORPORATIONS.**

7 Section 316(b)(4)(D) of the Federal Election Cam-
8 paign Act of 1971 (2 U.S.C. 441b(b)(4)(D)) is amended
9 by striking “to the extent that” and all that follows and
10 inserting a period.

11 **SEC. 14. EFFECTIVE DATE.**

12 Except as otherwise provided, the amendments made
13 by this Act shall apply with respect to elections and trans-
14 actions occurring after December 31, 1998.

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